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under section 1812(d)(1) of the Act about the availability of hospice care (in a manner that objectively presents all available hospice providers, including a statement of any ownership interest in a hospice held by the M+C organization or a related entity) if—

(1) A Medicare hospice program is located within the plan's service area; or

(2) It is common practice to refer patients to hospice programs outside that area.

(b) *Enrollment status.* Unless the enrollee disenrolls from the M+C plan, a beneficiary electing hospice continues his or her enrollment in the M+C plan and is entitled to receive, through the M+C plan, any benefits other than those that are the responsibility of the Medicare hospice.

(c) *Payment.* During the time the hospice election is in effect, HCFA's monthly capitation payment to the M+C organization is reduced to an amount equal to the adjusted excess amount determined under § 422.312. In addition, HCFA pays through the original Medicare program (subject to the usual rules of payment)—

(1) The hospice program for hospice care furnished to the Medicare enrollee; and

(2) The M+C organization, provider or supplier for other Medicare-covered services furnished to the enrollee.

§ 422.268 Source of payment and effect of election of the M+C plan election on payment.

(a) *Source of payments.* Payments under this subpart, to M+C organizations or M+C MSAs, are made from the Federal Hospital Insurance Trust Fund or the Supplementary Medical Insurance Trust Fund. HCFA determines the proportions to reflect the relative weight that benefits under Part A, and benefits under Part B represents of the actuarial value of the total benefits under title XVIII of the Act.

(b) *Payments to the M+C organization.* Subject to §§ 412.105(g) and 413.86(d) of this chapter and §§ 422.109, 422.264, and 422.266, HCFA's payments under a contract with an M+C organization (described in § 422.250) with respect to an individual electing an M+C plan offered by the organization are instead of the amounts which (in the absence of the

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contract) would otherwise be payable under original Medicare for items and services furnished to the individual.

(c) *Only the M+C organization entitled to payment.* Subject to § 422.262, 422.264, 422.266, and 422.520 of this part and sections 1886(d)(11) and 1886(h)(3)(D) of the Act, only the M+C organization is entitled to receive payment from HCFA under title XVIII of the Act for items and services furnished to the individual.

[63 FR 35090, June 26, 1998; 63 FR 52613, Oct. 1, 1998]

Subpart G—Premiums and Cost-Sharing

SOURCE: 63 FR 35093, June 26, 1998, unless otherwise noted.

§ 422.300 Basis and scope.

(a) *General.* This subpart is based on section 1854 of the Act. It sets forth the requirements and limitations for payments by and on behalf of Medicare beneficiaries who elect an M+C plan.

(b) *Transition period.* For contract periods beginning before January 1, 2002, HCFA applies the following special rules.

(1) M+C organizations may, with HCFA's agreement, modify an M+C plan offered prior to January 1, 2002 by—

(i) Adding benefits at no additional cost to the M+C plan enrollee; and

(ii) Lowering the premiums approved through the ACR process;

(iii) Lowering other cost-sharing amounts approved through the ACR process.

(2) For contracts beginning on a date other than January 1 (according to § 422.504(d)), M+C organizations may submit ACRs on a date other than July 1 approved by HCFA.

[63 FR 35093, June 26, 1998, as amended at 65 FR 40326, June 29, 2000]

§ 422.302 Terminology.

As used in this subpart, unless specified otherwise—

Additional revenues are revenues collected or expected to be collected from charges for M+C plans offered by an